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SUBJECT: DOMINIQUE DE VILLEPIN'S MAIDEN SPEECH AS PRIME
MINISTER -- PROJECTING COMMAND OVER GRIDLOCK AND
CONFRONTATION

SUMMARY

1. (SBU) A tightly self-controlled Dominique de Villepin -- he stuck to an uncharacteristically dry text and kept his hands glued to the podium throughout -- delivered his "general policy" speech to a packed National Assembly on June 8. Villepin was clearly focused on televisually communicating firmness and determination to the public at large, and he may have partially succeeded. As expected, the speech focused on tackling France's high unemployment. Villepin outlined a series of -- at best, modestly innovative -- policy proposals intended to ease hiring and encourage business expansion, and declared that as many of these as possible would be implemented by decree. Reaction to the speech inside the National Assembly highlighted the way the May 29th referendum has exacerbated partisan differences among the major parties (all of which supported the proposed EU constitution, which was massively rejected by voters in the May 29 referendum). As expected, Villepin's government handily won the vote of confidence that followed the "general policy" speech. Uncompromising opposition to the policies proposed was immediate; before the parliamentary session had ended, Bernard Thibaut, head of the formerly communist General Confederation of Labor (CGT) called for a national day of protest on June 21. END SUMMARY.

THE SPEECH: ON VIDEO VERSUS LIVE

2. (SBU) In delivering his "general policy" speech to a packed National Assembly on June 8, Prime Minister Dominique de Villepin seemed clearly focused on projecting himself as a calm and determined national leader. Despite ample provocation in the form of taunting interruptions from members of the opposition, Villepin never strayed from an uncharacteristically dry text that outlined a largely unsurprising set of measures (septel) aimed at combating unemployment. In a way that seemed calculated to convey -- on television -- seriousness and firmness, Villepin cut out all Gallic gesticulation and spoke in minimally modulated tones. Polls show that at least two thirds of the French do not have high expectations, either for Villepin or his assault on France's unemployment problem. It remains to be seen if this carefully controlled, first major appearance as prime minister projects an image that boosts people's confidence in Villepin and the likely effectiveness of his leadership.

3. (SBU) Reaction to the speech as it was being delivered inside the National Assembly fully confirmed the French parliament's reputation for unruliness; indeed, for unabashed public rudeness. "D'Artagnan!" mocked a member of the socialist opposition, interrupting Villepin during a (rare) florid moment during his speech. Pitiless partisanship also characterized the right's reaction to Socialist Party (PS) National Secretary Francois Hollande's response to the Prime Minister's policy proposals. As Hollande evoked the Socialist Party's alternative propositions for tackling France's high unemployment, rightist members, pointing up Hollande's lack of authority in the divided party following the May 29 referendum loss, started chanting "Fabius, Fabius, Fabius" -- as if calling for the leader of the dissident and victorious socialist 'no' camp to speak for the Socialist Party.

PARTISAN "IMMOBILISM" AND 2007 PRESIDENTIAL RACE

4. (SBU) The reaction to the speech among parliamentarians highlighted the way the political crisis engendered by the May 29th referendum has prompted more politics-as-usual, rather than any cold assessment by the political class of the reasons for its rejection May 29. The avid partisanship on display in the National Assembly does not bode well for the Villepin government's chances of bringing about major reforms. The political gridlock excoriated by Villepin may well have already set in, as political decisions, notwithstanding the current disarray in policy direction and institutional credibility, are calculated more and more in

terms of their impact on the 2007 presidential race, rather than any improvement they might bring to France's stagnant economy and paralyzed (legal) labor market. The factionalism within the center left (reformist versus dissident socialists) and within the center-right (Sarkozist 'liberals' versus Gaullists 'statists') will make it that much more difficult for Villepin to get anything done. (Indeed, during his speech expressions of support for Villepin from the right were markedly lukewarm and perfunctory). Villepin's intention -- out of necessity -- to implement his policy proposals by decree rather than parliamentary action will be generating as much opposition as will the content of the policies decreed.

IMAGE PROJECTION OVER THE GRIDLOCK AND CONFRONTATION

15. (SBU) His unspinnable, crushing defeat in the May 29 referendum has diminished the stature and visibility of President Chirac. Prime Minister Villepin and Interior Minister Sarkozy have taken center stage in what is shaping up as a competition for the confidence of center-right voters in view of the 2007 presidential race. Both will be very attentive to cultivating their image with the public at large, focused on projecting competence and effectiveness notwithstanding the intractability of France's social and economic problems and a political gridlock that puts long-term, compromise solutions out of reach. Evidence of the opposition's confrontational mood -- the Villepin government will get no honeymoon -- was not long in coming. Before the parliamentary session at which Villepin outlined his policy initiatives had ended, Bernard Thibaut, head of the formerly communist CGT labor union federation, called for a national day of protest June 21.

WOLFF